



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

April 19, 1993

Mr. Richard J. Barson, President
Interstate Gold & Gas, Inc.
P. O. Box 85
Clarkston, Utah 84305

(801) 563-5868

Dear Mr. Barson:

Re: Notice of Intention to Commence Small Mining Operations,
Lucky Boy Claims, S/003/021, Box Elder County, Utah

Thank you for your Notice of Intention to Commence Small Mining Operations, received by the Division on April 6, 1993. The application for the proposed Lucky Boy project, located in the SE/4 of the NW/4 and the NE/4 of the SW/4 of Section 22, T14N, R15W, SLBM describes an area which includes or overlaps an area previously included in an Interstate Gold & Gas exploration project. Our files list the exploration project under E/003/013. Division records do not include a Mineral Exploration Progress Report for the Lucky Boy site, or the Golden Lady site, describing the activities/disturbances which have actually taken place. Before the Division can accept an NOI overlapping the existing exploration site we will need to receive the progress report for the area in question, and conduct an onsite inspection. These tasks will need to be completed prior to any future mining activity. A Progress Report (MR-EPR) is enclosed for your use. Please contact me to schedule a site inspection as soon as weather permits.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices", and the statutory penalty for failure to reclaim a minesite (SMO-1 and SMO-2).

Please give special consideration to item #10 of the "Operation and Reclamation Practices" (SMO-1). Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in

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Page 2
Richard J. Barson
S/003/021
April 16, 1993

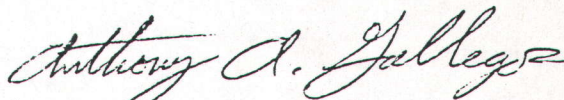
later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements.

A Memorandum of Understanding (MOU) between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If you haven't already done so, you are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We will forward a copy of this letter and your notice to the DEQ for their review. Their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6121.

Thank you for your cooperation.

Sincerely,



Anthony A. Gallegos
Reclamation Engineer

jb
Enclosures
cc: Kiran Bhayani, DEQ w/NOI
Dan Washington, BLM, Bear River RA
S003021